1991 Corn Progam Worksheet

Prepared by Allan Lines, Extension Economist, OSU

Adapted from Purdue Cooperative Extension Service worksheet

This worksheet can be used to calculate the returns above direct costs on ASCS base acres for five alternatives. These are: (1) Non-participation; (2) Participate in basic 92.5% planting; (3) Subsitute soybeans on the 15% corn normal flex (NFA); (4) Substitute soybeans on both 15% NFA plus 10% optional flex acres (OFA); (5) Elect 0/92% program with 15% soybeans.

The following program assumptions are used:

Target price	$2.75/bu.		
Loan	$1.62/bu.	*Assumes on-farm storage*	
Expected deficiency payment	$.58/bu.	*Assumes $50,000 limit is not reached*	
Acreage reduction program (ARP)	7.5% of base	*Maximum deficiency payment acres*	77.5% of base

Your Input Data

a.ASCS base acres	_____	f.Direct cost of set-aside ($/a.)	_____
b.ASCS base yield (bu./a.)	_____	g.Expected market price ($/bu.)	_____
c.Yield-100% planted (bu./a.)	_____	h.Expected deficiency payment ($/bu.) §	_____
d.Yield 92.5% planted (bu./a.)	_____	i.Soybean yield (bu./a.)	_____
e.Direct costs of production ($/a.)	_____	j.Direct costs soybean production ($/a.)	_____
		k.Expected soybean market price ($/bu.)	_____

Calculations

	Non-participation	7.5% ARP 15% Flex (Corn) 77.5% Program (Corn)	7.5% ARP 15% Flex (Beans) 77.5% Program (Corn)	7.5% ARP 25% Flex (Beans) 67.5% Program (Corn)	7.5% ARP 15% Flex (Beans) Elect 0/92 (0% Corn) §§
Value of production	a*c*g _____	a*d*g*.925 _____	Corn a*d*g*.775 _____ Beans a*i*k*.15 _____	Corn a*d*g*.675 _____ Beans a*i*k*.25 _____	a*i*k*.15 _____
+Deficiency payment		a*b*h*.775 _____	a*b*h*.775 _____	a*b*h*.675 _____	a*b*.58*.713 _____
-Direct cost of production	a*e _____	a*e*.925 _____	Corn a*e*.775 _____ Beans a*j*.15 _____	Corn a*e*.675 _____ Beans a*j*.25 _____	Beans a*j*.15 _____
-Direct cost set-aside		a*f*.075 _____	a*f*.075 _____	a*f*.075 _____	a*f*.85 _____
Revenue - Direct Costs					
Revenue Over Direct Costs Per Base Acre (+ by a)					

Corn Breakeven +c+c= _____

Soybean Breakeven

NFA +j+i= _____

OFA +(b*h)+j+i= _____

§ Use your estimate on Line h. Actual deficiency payments will be the difference between $2.75 target and the avg. U.S. corn price for 9/91 - 1/92

§§ The deficiency payment for 0/92 is assumed to be $.58/bu. Check with ASCS for the official guaranteed payment level.

Ohio Cooperative Extension Service - 2/12/91
The Ohio State University, The United States Department of Agriculture, and County Commisioners Cooperating

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Target price	$2.75/bu.		
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Expected deficiency payment	$.58/bu.	*Assumes $50,000 limit is not reached*	
Acreage reduction program (ARP)	7.5% of base	*Maximum deficiency payment acres*	77.5% of base

Your Input Data

a.ASCS base acres	100	f.Direct cost of set-aside ($/a.)	10
b.ASCS base yield (bu./a.)	108	g.Expected market price ($/bu.)	2.30
c.Yield-100% planted (bu./a.)	110	h.Expected deficiency payment ($/bu.) §	.45
d.Yield 92.5% planted (bu./a.)	120	i.Soybean yield (bu./a.)	40
e.Direct costs of production ($/a.)	163	j.Direct costs soybean production ($/a.)	111
		k.Expected soybean market price ($/bu.)	5.75

Calculations

	Non-participation	7.5% ARP 15% Flex (Corn) 77.5% Program (Corn)	7.5% ARP 15% Flex (Beans) 77.5% Program (Corn)	7.5% ARP 25% Flex (Beans) 67.5% Program (Corn)	7.5% ARP 15% Flex (Beans) Elect 0/92 (0% Corn) §§
Value of production	a*c*g 25,300	a*d*g*.925 25,530	Corn a*d*g*.775 21,370 Beans a*i*k*.15 3,450	Corn a*d*g*.675 18,630 Beans a*i*k*.25 5,750	a*i*k*.15 3,450
+Deficiency payment		a*b*h*.775 3,767	a*b*h*.775 3,767	a*b*h*.675 3,281	a*b*.58*.713 4,466
-Direct cost of production	a*e 16,300	a*c*.925 15,078	Corn a*c*.775 12,633 Beans a*j*.15 1,665	Corn a*c*.675 14,003 Beans a*j*.25 2,775	Beans a*j*.15 1,665
-Direct cost set-aside		a*f*.075 75	a*f*.075 75	a*f*.075 75	a*f*.85 850
Revenue - Direct Costs	9,000	14,144	14,234	13,808	5,401
Revenue Over Direct Costs Per Base Acre (+ by a)	90.00	141.44	142.34	138.08	54.01

Corn Breakeven +c+c= 2.77

Soybean Breakeven

NFA +j+i= 5.03

OFA +(b*h)+j+i= 6.24

§ Use your estimate on Line h. Actual deficiency payments will be the difference between $2.75 target and the avg. U.S. corn price for 9/91 - 1/92

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